

ASSOCIATED

FOOD & PETROLEUM DEALERS, INC.

TO: Senate Economic Development and Regulatory Reform Committee
FROM: Associated Food and Petroleum Dealers Association
DATE: March 11, 2009
RE: Senate Bill 186

Please review the package of material we have gathered to express our strongest opposition to Senate Bill 186.

As you can see, this legislation has been introduced at least the past three sessions, and AFPD has opposed the bill each time. Last session the bill was SB 56, the session before that it was SB 50 and prior to that SB 1312. Each time the bill failed to be enacted into law.

We would suggest that the reason for this is very simple: **THE BILL CREATES AN UNFAIR BUSINESS ADVANTAGE FOR ONE SEGMENT OF THE INDUSTRY.**

As we pointed out in our letter of opposition to SB 1312 on May 23, 2002, "Since prohibition, bars and restaurants have always sold alcohol for on premise consumption and liquor stores have always sold alcohol for off premise consumption. Senate Bill 1312 would dramatically alter the playing field to the disadvantage of liquor stores."

In our opposition letter to SB 56, we pointed out, "Supporters of SB 56 would strongly oppose legislation allowing liquor and party store owners the right to serve liquor by the shot in their stores."

Our members are struggling every day to keep their doors open. Our members serve many communities where our stores are the only shopping option available to consumers. Our members generate almost 20% of their annual income supplying private parties, income that would be in jeopardy should restaurant owners be allowed to sell liquor both on premise and off premise as proposed by SB 186.

Please support small business. Please do not support Senate Bill 186.

AFPD OPPOSES PASSAGE OF SB 56

1. Passage of SB 56 will further reduce sales and profitability for small business owners.
 - 19% of members' business is generated from supplying private parties
 - Allowing Class C licensees to capture 1/5 of our business will have a devastating effect on AFPD businesses
 - Class C licensees can purchase liquor at a lower wholesale price than our members, which reduces our ability to remain profitable
2. Passage of SB 56 will create the ability for Class C liquor licensees to provide both on-premise and off-premise liquor service.
 - Allowing catering businesses to sell liquor both on and off premise creates an unfair advantage for one segment of the industry
 - Supporters of SB 56 would strongly oppose legislation allowing liquor and party store owners the right to serve liquor by the shot in their store
3. Passage of SB 56 will create a huge number of legal violations to existing MLCC rules and liquor laws.
 - 12,000 licensees in Michigan could avail themselves to the new license expansion
 - MLCC does not have the necessary staff to investigate these license expansions
 - Current liquor laws would be unenforceable
 - license must be granted in the local jurisdiction where the event will be held
 - locations serving liquor can't be within 1/2 mile of an existing SDD licensed business
 - locations serving liquor can't be within 1/2 mile of a church
 - what right will local law enforcement have to enter private property to investigate whether the licensing laws are being followed

**Please protect Michigan's small business owners.
Vote "No" on SB 56**

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ASSOCIATED FOOD DEALERS OF MICHIGAN

and its affiliate: **PACKAGE LIQUOR DEALERS ASSOCIATION**

TO: All Michigan State Senators

FROM: The Associated Food Dealers of Michigan
The Package Liquor Dealer Association

DATE: May 23, 2002

RE: Senate Bill 1312

As you know there are always two sides to every story. These are the facts as we see them:

- 1) Since prohibition bars and restaurants have always sold alcohol for on premise consumption and liquor stores have always sold alcohol for off premise consumption. Senate Bill 1312 would dramatically alter the playing field to the disadvantage of liquor stores.
- 2) On average SDD's do about 19% of their business for parties, birthdays, political fundraisers, anniversaries, college graduations, weddings and charity events. We cannot afford to lose nearly 1/5 of our business. This bill would have a devastating impact on existing small SDD businesses.
- 3) According to the Michigan Liquor Control Commission, 7,841 potential new SDD's would be created if this legislation were to pass.
- 4) The bill states that it would not limit the number of SDD-C permits the Commission could issue within any local unit of government. The bill also would not prevent an SDD-C permit holder from using the permit at multiple locations and events during the same time period.
- 5) The proposed legislation contains to penalties for violations and even if it did the Liquor Control Commission does not have the manpower to enforce it.

- 6) The potential for abuse is tremendous. Under the proposed legislation, what would prevent the following examples?

Example A) The licensed Mexican restaurant delivers 4 tacos and a bottle of tequila to a resident.

Example B) A licensed Chinese restaurant delivers two chicken almonds and a case of liquor to a home.

Example C) A licensed Italian restaurant delivers an extra large pepperoni pizza and some booze to a college dorm.

- 7) Will sales to minors increase because of this bill?
- 8) AFD has never attempted to introduce a bill for the benefit of our members to the detriment of the Michigan Restaurant Association.
- 9) This bill was introduced with little notice and no real opportunity to testify on May 9th. It is unbelievably scheduled for a Senate vote already.
- 10) All we are asking is a full and fair hearing of all the facts before the Senate takes any action. We believe that this is a reasonable request.

We respectfully ask for your prompt attention on this matter and we appreciate your efforts to do the right thing.

Thank You!